

Āpōpō

Industry Update

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NZ Infrastructure Crisis



The average Auckland commuter spends over **5 days in traffic per year**



By 2050 **one in four NZers** will be over the age of 65



\$90 billion bill to fix up water networks



\$5 billion of council infrastructure is exposed to sea level rise



115,000 more homes are needed to fix the current housing crisis



There is a **75% chance** of an Alpine Fault rupture by 2070



Electricity generation capacity needs to **increase by 170%**



We need to spend **\$60 on maintenance** and renewal for every \$40 we spend on new infrastructure



New Zealand's population will grow to **6.2 million people** (or more) over 30 years



2/3 of population growth will be in **five major centres**



Infrastructure construction costs have risen **60% faster than prices** elsewhere in the economy

Sector Challenges

Sector challenges and how best we can work with each other to advance the sector and NZ Inc. in Asset Management.

- Capability to undertake effective asset management
 - Competency – investment in people’s skills and knowledge
 - Capacity – attraction and development of talent
- Investment Learning and Development programmes
- Challenges of Rising rates and alternative investment sources
- Transport funding – GPS 2024/27
- Water Reform – Local Water Done Well
- Overlapping priorities across multiple asset types
 - Resilience
 - Climate adaptation
 - Deferred maintenance
 - Renewals
 - Growth



GPS 2024

The GPS sets out the Government's land transport strategy including:

- what it expects to be achieved from its investment in land transport through the National Land Transport Fund (NLTF)
- what it expects to be achieved from its direct investment in land transport
- how much funding will be provided and how the funding will be raised
- Expect New investment maintenance of state highways

Draft Government
Policy Statement
on land transport
2024-34

March 2024 Not Government policy
CONSULTATION DRAFT



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What can we do?

- Ensure all the players understand the infrastructure management process, understand the role they play, and the consequences of their decision making
- Build assets with a long-term life cycle in mind, with a focus on the quality of newly built infrastructure
- Secure the appropriate operations and maintenance funding for our current portfolio of infrastructure, and for any new infrastructure that is being built
- Create better systems to report on the current state of infrastructure, and what will happen to it based on investment decisions

